

SEP 21 2009

U.S. DISTRICT COURT
WESTERN DISTRICT OF NC

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

IN RE: REAL PROPERTY LOCATED AT)
5940 MELROSE LANE, GRANITE FALLS,)
NORTH CAROLINA, AS MORE)
PARTICULARLY DESCRIBED IN A DEED)
RECORDED AT BOOK 1648, PAGE 1158;)
AND IDENTIFIED AS LOT 209, PLAT)
BOOK 13 AT PAGE 51; IN THE)
CALDWELL COUNTY PUBLIC)
REGISTRY)

FILE IN GRANTOR INDEX UNDER:)
JIMMY EARL HILTON, JR.;)
TAMATHA M. HILTON)

)

3:09 mc 167 - C

**ORDER
AND LIS PENDENS**

WHEREAS, the United States of America, by and through Inspector Mark A. Heath of the United States Postal Inspection Service, has presented an affidavit to the Court alleging that the above-captioned property was proceeds of, facilitated, and/or was otherwise involved in theft or receipt of stolen mail in violation of 18 U.S.C. § 1708; mail fraud in violation of 18 U.S.C. § 1341; bank fraud in violation of 18 U.S.C. § 1344; and/or money laundering in violation of 18 U.S.C. §§ 1956-1957; and,

WHEREAS, the Court, having reviewed the affidavit, finds that there is probable cause to believe that the property was proceeds of, facilitated, and/or was otherwise involved in theft or receipt of stolen mail in violation of 18 U.S.C. § 1708; mail fraud in violation of 18 U.S.C. § 1341; bank fraud in violation of 18 U.S.C. § 1344; and/or money laundering in violation of 18 U.S.C. §§ 1956-1957 ; and,

WHEREAS, upon this finding of probable cause, the property may be subject forfeiture to the United States pursuant to 18 U.S.C. §981, and the government is entitled to record a lis

pendens to give public notice of the government's forfeiture interest and potential civil and/or criminal forfeiture claim against the property;

THEREFORE, the United States is directed forthwith to file this Order and Lis Pendens with the appropriate state or local public depository to prevent the flight or transfer of the property so that the United States may initiate action to adjudicate forfeiture of the property; and,

ALL WHO READ THIS ORDER AND LIS PENDENS TAKE NOTICE that the property may be subject to forfeiture to the United States in a present or future criminal or civil in rem action before this Court, and any person who has a question as to this action should contact:

United States Attorney
for the Western District of North Carolina
Attn: William A. Brafford
227 West Trade Street, Suite 1650
Charlotte, NC 28202
(704) 344-6222

This the 21 day of September, 2009.



UNITED STATES MAGISTRATE JUDGE

TO THE RECORDER OF THIS INSTRUMENT: MAIL ANY AND ALL RECORDED COPIES TO THE UNITED STATES ATTORNEY FOR THE WESTERN DISTRICT OF NORTH CAROLINA AT THE ABOVE ADDRESS.

AFFIDAVIT OF MARK A. HEATH

I, Mark A. Heath, a United States Postal Inspector with the United States Postal Inspection Service (USPIS), being duly sworn, state as follows:

I. INTRODUCTION AND PURPOSE OF AFFIDAVIT

1. I am currently employed as a United States Postal Inspector with the USPIS and have been so employed for the past eight years. During this time, I have been assigned to the Mail Theft/Violent Crimes team where my duties include the investigation of identity theft and access device fraud in connection with the U.S. Mail. Pertinent statutes relating to mail theft and identity theft crimes include Title 18, United States Code, Section 1708, Theft or receipt of stolen mail matter; Title 18, United States Code, Section 1028, Fraud and related activity in connection with identification documents and information; and Title 18, United States Code, Section 1029, Fraud and related activity in connection with access devices.
2. I have had the following education and training. I have received formal instruction from U.S. Postal Inspectors as well as other federal, state and local law enforcement agents who have done extensive work in the areas of mail fraud, mail theft and identity theft. I have received formal classroom training from the U.S. Postal Inspection Service during the 13-week Postal Inspector Basic Training Academy in Potomac, Maryland. In August 2003, I received one week of dedicated Identity Theft investigation training from California Peace Officers Standards and Training.
3. Based on my training and experience, I am familiar with methods of operation that individuals and gangs are using to steal mail, counterfeit checks, and take over individual identities for the purpose of obtaining cash and other valuables.
4. I make this affidavit in support of an application for a lis pendens for real property located at 5940 Melrose Ln, Granite Falls, NC, and 4763 Horseshoe Bend Rd, Hudson, NC. As set forth in this affidavit, I have probable cause to believe that the property was acquired with proceeds gained through violations of Title 18, United States Code Section 1708, Theft or receipt of stolen mail matter; Title 18, United States Code, Section 1341, Mail Fraud, or Section 1344, Bank Fraud; Title 18, United States Code, Sections 1956 and 1957, Money Laundering; and Conspiracy to commit those crimes.

II. FACTS

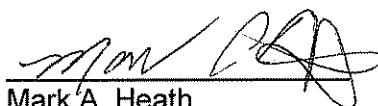
5. The facts in this affidavit are known to me as a result of my personal participation in this investigation or were related to me by other law enforcement officers and witnesses, either personally or by their reports.
6. On July 22, 2009, Lenoir, NC Police Department Det. Jeff Dick referred a case for further investigation and possible federal prosecution to the Charlotte Division of the U.S. Postal Inspection Service. Initial information provided by Det. Dick shows a scheme in which Tamatha Hilton stole and redirected the contents of U.S. Mail from her employer, The Woodsmiths Company, to an account under her control in a scheme to fraudulently obtain funds in excess of \$655,000.

7. According to Det. Dick, he initiated the investigation in March, 2009 when Michael Munoz, owner of The Woodsmiths Company, filed report # 09-01322 with Lenoir PD. Munoz reported he had been gone from his business for approximately two years. During that time Tamatha Hilton, the company book keeper, was left in charge of processing work orders and accepting payments on accounts receivable for The Woodsmiths Company. As part of her duties, Hilton retrieved incoming U.S. Mail from the company PO Box in Lenoir, NC, including U.S. Mail containing checks made payable to The Woodsmiths Company. Upon his return to the company in early 2009, Munoz discovered accounting irregularities which eventually led to the closure of The Woodsmiths Company. Prior to the closure and Hilton being laid off, Munoz believes Hilton removed business records and client lists from the business in an effort to cover up her illegal activities.
8. During his review of accounting procedures, Munoz discovered two checks made out to his business totaling \$5,600 which had been deposited into a SunTrust Bank account not related to The Woodsmiths Company. Munoz discovered the SunTrust account was an account opened in the name of Jacqueline Hilton, DBA The Woodsmiths Furniture Company.
9. According to Det. Dick, Tamatha Hilton is married to Jimmy Hilton, and Jacqueline Hilton is Jimmy Hilton's ex-wife. Det. Dick stated he believed Jimmy Hilton and Tamatha Hilton acquired a lake house, vehicles, and purchased a business during the time the fraud was occurring.
10. On June 11, 2009, Det. Dick served a search warrant on SunTrust for accounts belonging to the Hiltons. Documents related to two accounts were returned as part of the search warrant. Both accounts were opened under the name of Jacqueline Hilton using PO Box 1733, Lenoir, NC 28645. Account #XXXXXXXXX8063 was opened in Jacqueline Hilton's name DBA Woodsmiths Furniture Company. Documents obtained from the search included deposits and withdrawals made into the accounts. Initial review shows a total of approximately \$655,000 worth of checks made payable to Woodsmiths Company deposited into account #XXXXXXXXX8063 between January 2007 and March 2009. The majority of the checks were endorsed with a stamp displaying the company name of "WOODSMITHS." Documents show a corresponding amount of withdrawals made from the account by way of checks made payable to Jimmy Hilton, CASH, Classic Furniture, Affordable Products, Royal Home Delivery, Swartz and Swartz as well as other miscellaneous persons and companies. Classic Furniture, Affordable Products and Royal Home Delivery are all corporations or LLC companies owned by Jimmy Hilton.
11. Records I obtained from the Lenoir Post Office reflect that PO Box 1733 was opened on January 22, 2007 under the corporate name of Woodsmiths Wholesale by Jacqueline Hilton. PO Box 1733 was closed on February 6, 2009 by the customer.
12. A search of county records and NC Secretary of State records failed to identify filings for any individual doing business as The Woodsmiths Furniture Company.

13. I conducted a records search of the Caldwell County Register of Deeds for businesses and properties owned by the Hiltons. Records found during the search revealed Jimmy Hilton had purchased a business, Affordable Products, on August 25, 2008, for an undisclosed amount. The General Warranty Deed on file with Caldwell County conveyed the acquisition of the business and corresponding lot or parcel of land to Affordable Products. Affordable Products is described as an auto salvage business located at 4763 Horseshoe Bend Rd, Hudson, NC 28638. No records of liens against the property were located.
14. The Register of Deeds records search also revealed the acquisition of lake front property by Jimmy and Tamatha Hilton located at 5940 Melrose Ln, Granite Falls, NC 28630. The property was purchased and a home built on the site via a Purchase Money Deed of Trust dated July 13, 2007, in the amount of \$448,000 to be paid in full no later than August 1, 2009. No records of liens against the house were located for the house and property although the property was used as collateral for two separate Purchase Money Deeds of Trust from First Savings Bank in May and July 2009 for a total of \$51,000.
15. Caldwell County Register of Deeds records reveal other real property owned by Jimmy and Tamatha Hilton prior to the acquisition of the above mentioned properties. However, no records were located designating the Hiltons as Grantors on the sale of property which could have funded the new acquisitions.
16. A search of North Carolina wage history records for the inclusive periods of the fraud shows Jimmy Hilton had no wage earnings and Tamatha Hilton's only wages were earned from The Woodsmiths Company.

III. CONCLUSION

17. Based on my training and experience, as well as the facts presented in this Affidavit, there is probable cause to believe that the real properties located at 5940 Melrose Ln, Granite Falls, NC, and at 4763 Horseshoe Bend Rd, Hudson, NC, were involved in and/or acquired with proceeds obtained as a result of violations of Title 18, United States Code Section 1708; Title 18, United States Code, Section 1341 or Section 1344; Title 18, United States Code, Sections 1956 and/or 1957; and/or Conspiracy to commit those crimes.

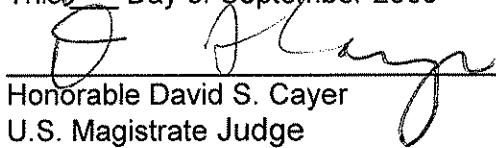


Mark A. Heath

U.S. Postal Inspector

Subscribed to and sworn before me:

This 21 Day of September 2009



Honorable David S. Cayer

U.S. Magistrate Judge